



FAIRFAX COUNTY PARK AUTHORITY

M E M O R A N D U M



TO: Chairman and Members
Park Authority Board

VIA: Timothy K. White, Chief Operating Officer

FROM: Elisa Lueck, Manager
Strategic Initiatives and Policy Development

DATE: September 7, 2006

A handwritten signature, likely of Timothy K. White, written over the "VIA" line.

Agenda

Strategic Planning and Initiatives Committee
Wednesday, September 13, 2006 – 4:30 p.m.
Board Room – Herrity Building
Chairman: Kevin Fay

1. Budget Advocacy Toolkit – Information*

*Enclosures

cc: Michael A. Kane, Director
Leadership Team

Committee Agenda Item
September 13, 2006

DISCUSSION

Budget Advocacy Toolkit

At the July 26, 2006, meeting of the Strategic Planning and Initiatives Committee, staff presented draft budget advocacy toolkit materials for comment. Since that time, staff has incorporated specific funding information in the "What must we do now" section of the documents, as appropriate. Additional comments will be received at this meeting, before finalizing the materials for use by the Park Authority Board.

ENCLOSED DOCUMENTS:

Attachment 1 - Revised budget advocacy toolkit materials.

STAFF:

Michael A. Kane, Director

Timothy K. White, Chief Operating Officer

Elisa Lueck, Manager of Strategic Initiatives and Policy Development

Miriam Morison, Director, Administration Division

Seema Ajrawat, Fiscal Administrator



BASELINE MAINTENANCE



- As Park Authority property holdings have increased, resources to maintain these properties have not grown.
- Increased maintenance funding is needed in FY 2008 to address the increased inventory of contract mowed acreage and increased cost of existing contracts.
- Increased funding is needed to address unmet maintenance needs for trails, park roads and parking lots.
- Without increased funding, sustainable maintenance of all parks is at risk.

ISSUE:

An increase in property and maintainable assets has not been accompanied by a commensurate increase in resources necessary to maintain these assets. Increased maintenance funding is needed in FY 2008 in the amount of \$906,041 for the increased inventory of contract mowed acreage and contract cost increases as well as unmet needs for trails, roads and parking lots.

WHAT ARE THE BENEFITS OF TAKING ACTION?

- Public perception: We will have funds to satisfactorily maintain roads and parking lots, which present an important first impression to the public.
- Maintain "most used" feature: Funding demonstrates the County's commitment to trail expansion and improvement, which is important, given that trails are continually rated as the park system's "most used" feature.

WHAT ARE THE CHALLENGES WE FACE?

- Increased inventories: The inventory of properties requiring contract mowing will increase 19%, from 652 acres in FY 2006 to 801 acres in FY 2008. In addition, contract mowing costs per acre are increasing from \$35 to \$45 per acre, primarily due to fuel costs.
- The inventory of trails has increased by 29% since FY 2003 and will increase further with passage of the FY 2006 Bond which includes \$5 million for trail development.
- Insufficient funding: Road and parking lot surfaces receive only \$.292 of the standard \$1.42 per linear foot for maintenance, and trail surfaces receive only \$.045 of the standard \$.34 per linear foot for materials for maintenance.

WHAT HAPPENS IF WE DON'T ACT?

- Inability to sufficiently maintain properties: Will lead to deterioration of facilities and decreased use.
- Increase in costs: Without action now, the eventual repair and/or replacement costs will increase.
- Insufficient funding to maintain infrastructure: Will result in citizen complaints and eventual decreased use.
- Inability to meet safety standards: Will result in features being taken out of service.

WHAT MUST WE DO NOW?

- Consider the addition of \$989,806 to the County Construction Fund (Fund 303), to address FY 2008 funding needs for mowing, roads and trail maintenance.



ENERGY MANAGEMENT

- Rising utility costs necessitate a new approach to energy management.
- If current industry projections hold true, the Park Authority could end FY 2007 overspending the adopted budgets for utilities by \$1.2 million and by \$1.9 million in FY 2008.
- Creation of an Energy Management Program serves as an investment with a measurable and immediate return. Support by the Board of Supervisors, through the provision of retrofit seed money over five years to assist in these efforts, will reap long-term, system-wide economies and benefits

ISSUE

- The Park Authority is one of the county's largest consumers of utilities and has been severely impacted by rising energy costs.
- The creation of an Energy Management initiative will foster immediate savings, and provide for long-term benefits from facility retrofits and the use of emerging technology. In addition, ***energy management is fully aligned with the Park Authority's and the Board of Supervisors' stewardship mission.***
- Initial retrofits at select Park Authority facilities where energy usage is highest would require an investment of \$374,000 and provide initial implementation of the Energy Star program.
- A second phase over five years would provide for a variety of retrofitting projects possibly addressing parking lots, trail lamps, tennis and basketball court lamps, and road lamps.

WHAT ARE THE BENEFITS OF TAKING ACTION?

- Comprehensive approach: Consolidates review and oversight on all energy consumption and related activities providing a ***comprehensive approach*** to managing energy use agency-wide.
- Recognize savings: Through installation of retrofits in FY 2008, the Park Authority will begin to realize 15% annual savings on utility expenses at select facilities. Savings are estimated at \$142,640 (2006 dollars) per year.
- Self-sustaining: Retrofits will pay for themselves over time.

WHAT ARE THE CHALLENGES WE FACE?

- Continual adaptation: Finding more efficient ways to manage our utility bills in response to continuing increases.
- Remote monitoring: Being able to monitor and manage mechanical systems from remote locations.
- Program and Maintenance Impact: In order to address the projected funding shortfall in FY 2007 and FY 2008, program and maintenance activities will have to be reduced.

WHAT HAPPENS IF WE DON'T ACT?

- Reduced service levels: FY 2008 projections show a shortfall of \$1.9 million ***which will have an impact on program and services levels.***
- Credibility: Failure to implement an Energy Management Program poses a risk to our credibility, if we are to continue to market ourselves as stewards of the environment.

WHAT MUST WE DO NOW?

- Allocate \$374,000 to the County Construction Fund (Fund 303) in FY 2008 to initiate the retrofit portion of the Park Authority's energy management program.
- The Park Authority is committed to an Energy Management Program, and we've committed a position to provide for energy conservation throughout the agency. However, ***we need seed money for the retrofits that will assist in reducing the impact of utility bills.***



REVENUE FUND OUTLOOK



- Unless actions are taken, the Park Authority Revenue Fund expenditures will exceed revenue, and a balanced budget may be unattainable.
- Contributing factors include debt service level, increasing utility expenditures, the impact of subsidies for seniors, and other unrecoverable costs for services.
- Actions for consideration include the elimination of debt service, and supplements/subsidies for unrecoverable costs.

ISSUE

- Recreation and leisure opportunities benefit the entire county. The Park Authority Revenue Fund, which derives its revenue primarily from user fees and charges, allows the County to provide twice the park-related services than could be provided with tax dollars alone.
- The Park Authority's Comprehensive Financial Management Plan outlook model indicates that unless actions are taken, expenditures of the Park Authority Revenue Fund will exceed revenue to such a degree that we may not be able to achieve a balanced budget.

WHAT ARE THE BENEFITS OF TAKING ACTION?

- Allows the county to continue offering twice the park-related services than could otherwise be provided with tax dollars alone.
- Allows the Park Authority to reinvest revenue funds in renovations and modernization of aging facilities.
- Provides the ability to maintain and grow programs and services for an ever-changing population.
- May allow for the expansion of programming where costs are not fully recoverable.
- Keeps programs and services at affordable levels.

WHAT ARE THE CHALLENGES WE FACE?

- Limited market tolerance for fee increases.
- Debt service requirements of \$1.8 million per annum for Revenue Bonds on \$27.105 million debt.
- Lack of capacity to absorb increases in utility rates.

WHAT HAPPENS IF WE DON'T ACT?

- Loss of credibility. The facilities the Revenue Fund supports were built with voter-approved park bonds. We have an inherent responsibility to ensure that these facilities continue to meet community needs.
- Service and maintenance reductions.
- Spend-down of required fund reserves may be necessary to balance annual budgets.
- Significant downturn in the park visitor satisfaction rating, which currently stands at 82%.
- Inability to provide programming which addresses needs of the community as well as emerging challenges of diversity and childhood obesity.

WHAT MUST WE DO NOW?

- No FY 2008 action is being requested.
- Consider development of a long-term plan to reduce or eliminate long-term debt.
- Consider utility supplement.
- Address infrastructure maintenance. Facilities represent capital assets that add to the quality of life. Capital renovations are needed to maintain and extend the useful life of these buildings, systems and features.
- Consider subsidy for costs for targeted unrecoverable services such as senior discount and low-income access.



STEWARDSHIP



- Conservation of our limited natural resources must be interwoven into all government decisions.
- The Park Authority has acquired a significant amount of land, but currently does not have the capacity to actively manage and protect its natural resources.
- The Board of Supervisors and the Park Authority Board share a common vision and shared values in protecting the environment and natural resources.

ISSUE

- Between 1990 and 2000, Fairfax County grew by 18%. County population is anticipated to grow between 12 and 15 % between 2000 and 2010, and another 5 to 7% between 2010 and 2020.
- County's growth resulted in a population of more than one million people. We must find a way to balance environmental stewardship with the development associated with this population increase.
- The Park Authority has a clear mission and policy direction regarding stewardship practices. The Board of Supervisors also set a 20-year Environmental Vision for the County. ***Together, with funding and support, we can help to further these shared values.***
- Typically, when tax revenue declines, the environment becomes one of the first areas to receive funding cuts. Its benefits are quite often not easily quantified, and many of the initiatives can appear to be suitable for deferral to a later time. However, ***given the increasing concerns about connections between public health and the environment, sustained support to ensure environmental health and quality of life are of critical importance.***

WHAT ARE THE BENEFITS OF TAKING ACTION?

- **Credibility:** Demonstrates the Park Authority's mission, as well as our commitment to the Board of Supervisors' 20-year Environmental Vision. Environmental stewardship is both a key responsibility and a critical legacy of any elected public body.
- **Quality of life:** Conservation of our limited natural resources must be interwoven into all governmental decisions. There is a direct link between the vitality of natural and cultural resources and the quality of life for citizens.
- **Offers opportunity for partnerships:** Other stakeholder interests – including the Board of Supervisors' Environmental Agenda; Environmental Coordinating Committee Initiatives; County Water Resource Initiatives; and Environmental Quality Advisory Council – offer a prime opportunity to build momentum in natural resource management.
- **Economic benefits:** While many advantages — such as safety, high property values, human health, opportunities for social interaction, and community attractiveness — are attributed to well-maintained open space and clean environments, these advantages are difficult to quantify. However, research indicates that individuals are willing to pay a higher amount for property located close to parks and open space than for a home not offering this amenity. In some cases, the increase in property tax from housing in close proximity to green spaces may equal or even exceed the costs of maintaining them.

WHAT ARE THE CHALLENGES WE FACE?

- **Lack of capacity to manage acquired land:** The Park Authority has acquired a significant amount of land, but currently does not have the capacity to actively manage and protect its natural resources. Natural resources must be managed to ensure their health and protect them from threats such as overgrazing by deer, invasive non-native plants, encroachments by our park neighbors, erosion and pollution from stormwater, and fragmentation of valuable wildlife habitat.
- **Insufficient funding:** We are now at a critical stage in which we cannot continue to make significant progress without additional staff and funding. In order to fully embrace our responsibility, implementation of the components identified in the Natural Resource Management Plan and Cultural Resource Management Plan is essential.

WHAT HAPPENS IF WE DON'T ACT?

- **Loss of credibility:** If we fail to implement the Natural Resource Management Plan and Cultural Resource Management Plan, we risk loss of credibility with our citizens and partners.
- **Poor ratings on our County's environmental efforts:** The Board of Supervisors has made significant efforts to reverse the findings of the DPWES 2001 Stream Protection Strategy Baseline Study, which resulted in poor ratings for Fairfax County's streams. We have the opportunity to be proactive with regards to stewardship.
- **Continued degradation of resources:** The Board of Supervisors' 20-year Environmental Vision states that Fairfax County's environment is resilient, but not indestructible. And, no matter what income, age, gender, ethnicity, or address, everyone has a need and right to breathe clean air, to drink clean water, and to live and work in clean surroundings.

WHAT MUST WE DO NOW?

- Allocate \$650,000 in annual funding to the Park General Fund (Fund 001) to support implementation of the first phase of the Natural Resource Management Plan. **Key deliverables for the first phase of the program will include: 1) natural resource assessments and management plans (surveys and reports on the condition of natural resources and prescriptions for repair and maintenance) for at least 10% percent of parkland; 2) invasive plant control on at least 10% of parkland; and 3) a model for program and staffing plan for the full natural resource management program for all parkland.**
- Funding supports six positions, consultants, equipment, and operating costs needed to conduct resource inventories and monitoring.
- The result will be active management plans on at least 10% of our parkland. **Parkland will be considered 'managed' when a plan is in place and some sort of resource management activity has occurred (such as invasive removal or a forest fuel reduction) with a commitment for recurring management.**